

## Agency Activity Inventory by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

### Accounting Services for Other Agencies

The Office of Financial Management (OFM) provides comprehensive, cost-effective accounting, budgeting, and payroll services to small agencies. Small Agency Client Services (SACS) serves as the fiscal officer, financial advisor, budget officer, and service coordinator to these agencies. SACS saves the state money by consolidating the budget, payroll, and accounting services of small agencies.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$133,000	\$133,000	\$0	12.4	\$124,000	\$124,000	\$0	12.4

**Expected Results:**

Dollar and FTE staff savings for the state. Small agencies can focus their efforts on achieving their missions and goals. Maintain current clients who refer SACS to others.

### Administrative Activity

The Administrative activity represents the OFM Director's Office. This includes the director, deputy director, legislative liaison, communications director, legal counsel, and their support staff.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,531,000	\$1,531,000	\$0	9.7	\$1,516,000	\$1,516,000	\$0	9.7

**Expected Results:**

Well coordinated day-to-day operations of the Office of Financial Management.

### Assessment Payments on State Lands

OFM pays taxes and other assessments against state-owned lands in accordance with RCW 79.44.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$65,000	\$65,000	\$0	0.0	\$65,000	\$65,000	\$0	0.0

**Expected Results:**

# Agency Activity Inventory

## by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

Meet the requirements of RCW 79.44.

### Budget Driver and Expenditure Forecasts, Research, and Monitoring

The Budget Driver, Expenditure Forecasts, Research, and Monitoring unit supports the fiscal planning, budget monitoring, and risk management functions of the Office of Financial Management. The unit develops and provides data and quantitative analysis for the state's health care, human services, and K-20 education programs in support of budget development; provides staffing for OFM's role on the Caseload Forecast Council; gives OFM the ability to monitor expenditures and identify the sources of rapid expenditure growth; and provides technical assistance to agency staff in the analysis of program expenditures and the development of information systems to support cost containment and risk management.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$768,000	\$718,000	\$50,000	7.7	\$666,000	\$616,000	\$50,000	7.7

#### Expected Results:

Early identification of unanticipated expenditure and caseload growth pressures. Containment of emerging fiscal problems and development of timely and effective remedies or mitigation strategies. More effective use of scarce resources.

### Central Financial Systems Development and Maintenance

The Office of Financial Management's (OFM) Central Financial Systems Development and Maintenance section develops, implements, maintains, and supports statewide financial systems for use by state agencies. The financial systems provided by OFM include accounting, budgeting, and reporting systems that allow agencies to manage their financial operations and budget performance. OFM centrally provides these core financial systems so that each agency does not have to develop, operate, and maintain these systems individually, ensuring the maintenance of accurate and centralized accounting of the state's financial operations. (Data Processing Revolving Account)

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$11,522,000	\$777,000	\$10,745,000	69.3	\$11,459,000	\$719,000	\$10,740,000	74.4

#### Expected Results:

Maximize the value of the state's investments in financial and administrative systems. Streamline business processes to make it easier for state employees to perform their jobs. Provide easy, timely access to valuable information to improve decision making and operational effectiveness. Drive an enterprise-wide framework that supports the cost effective delivery of a modern, secure, integrated suite of financial and administrative systems.

**Outcome Measure:** Percentage of all payments made using "hands off" methods. This includes payments made via electronic fund transfer, inter-agency payment, or warrant insertion.\*

# Agency Activity Inventory by Agency

Appropriation Period: 2005-07    Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

FY02 Actual 63%	FY03 Actual 71%	FY04 Actual 73.1%	FY05 Estimate 80%	FY06 Proposed 80%	FY07 Proposed 80%
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*SW11 - Improve the ability of state government to achieve its results. Warrant insertion occurs when vendor warrants are mailed from a central service center instead of from the agency.*

**Outcome Measure:**    Percentage of all payments made electronically using either electronic funds transfer or inter-agency payment.

FY02 Actual 23%	FY03 Actual 26%	FY04 Actual 31.7%	FY05 Estimate 40%	FY06 Proposed 40%	FY07 Proposed 40%
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*SW11 - Improve the ability of state government to achieve its results.*

**Output Measure:**    Number of Fastrack reports requested by agencies daily.\*

FY02 Actual 500	FY03 Actual 673	FY04 Actual 730	FY05 Estimate 1,000	FY06 Proposed 1,200	FY07 Proposed 1,400
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*SW11 - Improve the ability of state government to achieve its results. Fastrack is a web-based agency financial reporting system.*

**Output Measure:**    Number of Travel Voucher System vouchers processed annually.\*

FY02 Actual 15,082	FY03 Actual 14,120	FY04 Actual 23,159	FY05 Estimate 25,000	FY06 Proposed 39,000	FY07 Proposed 53,000
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*SW11 - Improve the ability of state government to achieve its results. \*The Travel Voucher System is the new web-based system available to process travel reimbursement.*

## Collective Bargaining

OFM represents the Governor in collective bargaining negotiations for wages, hours, and working conditions for represented classified employees, including those in higher education. As a result of legislation passed by the 2002 Legislature, OFM will negotiate all master contracts and provide guidance for all supplemental bargaining. The first contracts must be submitted to the Legislature for approval with the Governor's 2005-07 budget request. (Labor Relations Service Account)

**Statewide Result Area:**    Improve the ability of State Government to achieve its results efficiently and effectively

**Category:**    Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,692,000	\$226,000	\$1,466,000	14.6	\$1,791,000	\$226,000	\$1,565,000	14.6

**Expected Results:**

A process for negotiating employee benefits, resulting in collective bargaining contracts for all represented classified employees.

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Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

## Criminal History Federal Grant

OFM coordinates, administers, and monitors multiple federal justice grants, which are passed through to multiple state agencies and local jurisdictions in the form of interagency and interlocal agreements to support planning and implementation of Washington State's Justice Information Network (JIN). The JIN mission states that "any justice practitioner in the state will have complete, timely, and accurate information about any suspect or offender." Information will include criminal history and current justice status come from data that has been entered only once, and be available in a single computer session from automated statewide systems.

**Statewide Result Area:** Improve the safety of people and property

**Category:** Crime response and recovery

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,001,000	\$14,000	\$987,000	1.5	\$1,004,000	\$15,000	\$989,000	1.5

**Expected Results:**

Promotion, coordination, and development of automated and integrated state and local criminal justice information systems.

## Governor's Budget Development

OFM's Budget Division assists in the development of the Governor's budget proposal to the Legislature. Primary activities include evaluating budget requests from state agencies and providing the Governor with recommendations for funding levels; preparing the Governor's budget proposal; assisting the Governor in establishing financial, budget, and program policies for the state; and monitoring agency implementation of executive and legislative budget objectives. (General Fund-State)

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$3,453,000	\$3,453,000	\$0	40.8	\$3,458,000	\$3,458,000	\$0	42.8

**Expected Results:**

A balanced budget recommendation reflecting the Governor's fiscal and policy priorities. Timely, accurate, and objective budget/performance information and advice. Execution of the state budget in accordance with actual revenues and legislative/gubernatorial intent.

## Office of Regulatory Assistance

The Office of Regulatory Assistance coordinates permit assistance activities with various state agencies. It oversees the customer service, permit facilitation and coordination, and other activities within the permit assistance program in the Department of Ecology. It also oversees the contract with Ecology for permit assistance activities; works with businesses and project proponents on permitting issues and helps answer questions regarding state, federal, and local agency processes; and works with the Special Assistant to the Governor for Business to streamline regulatory processes and assist business. The Office of Regulatory Assistance also works with state agencies to develop and adopt an integrated permit system that would bring together project design, environmental review, permitting, and mitigation elements into a single process.

**Statewide Result Area:** Improve the economic vitality of businesses and individuals

# Agency Activity Inventory

## by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

**Category:** Flexible regulation

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$500,000	\$500,000	\$0	0.0	\$500,000	\$500,000	\$0	0.0

### Expected Results:

Reduction in complaints regarding permitting delays and procedures. Streamlined decision-making process on permit applications.

## Personal Service and Client Service Contracts

The Personal Services and Client Services Contracts section develops and maintains statewide contract policies for personal services and client services based on state regulations. Contract staff members consult with agencies regarding contract and procurement issues to ensure agencies are appropriately expending contract dollars, and provide contract training to state agencies. The staff also provides review and approval of approximately 1,200 personal service contracts filed with OFM annually to oversee state agency contract practices and compliance with statutory requirements under RCW 39.29.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Governance

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$486,000	\$486,000	\$0	4.7	\$448,000	\$448,000	\$0	4.7

### Expected Results:

Contracts staff will provide training to state agencies on personal service and client service contracts and will train staff from 75 percent of state agencies.

## Population Estimates, Forecasts, and Census Data

The Population Center produces the official population figures for the state, cities, towns, and counties. The statutorily required center provides the current and future population estimates that are needed for statewide economic and revenue forecasts and fiscal planning activity, budget driver and expenditure forecast activity, and the Initiative 601 spending limit. The center is also responsible for all statutes using population size as criteria for program administration/eligibility for the allocation of millions of dollars to local governments, and for other budget and program planning activities. The center certifies all municipal boundary changes in Washington, acts as liaison to the federal Bureau of the Census for state and local agencies, and assists the bureau with decennial census and product distribution activities through the State Data Center program. (Violence Reduction and Drug Enforcement Account)

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$841,000	\$718,000	\$123,000	7.2	\$739,000	\$616,000	\$123,000	7.2

### Expected Results:

# Agency Activity Inventory by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

Timely and accurate population estimates and forecasts required for sound fiscal management and planning, program administration/eligibility, and revenue allocations.

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## Risk Management

The Risk Management program identifies, controls, and reduces the financial impact of general liability, vehicle, and property losses to the state, and develops programs to finance the state's exposure to risk. In addition, the program protects the beneficiaries and assets of local government self-insurance programs through effective regulation. Services provided include administering a self-insurance program to finance tort losses; purchasing commercial insurance on behalf of state agencies; receiving, processing, delegating, and investigating state agency tort claims and legislative relief claims; maintaining a comprehensive master database of all claims; providing training to state agencies on how to lessen risks associated with tort liabilities; and approving and regulating local government property/liability risk pools and health/welfare employee benefit programs. (Risk Management Administration Account)

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$11,817,000	\$232,000	\$11,585,000	23.6	\$11,059,000	\$215,000	\$10,844,000	23.6

### Expected Results:

The loss prevention focus on vehicle accident prevention will result in a ten percent reduction of vehicle accidents involving state employee drivers by June 30, 2005. The measurement will be from the period July 01 - June 02 to the period July 04 - June 05.

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## Statewide Accounting Policies and Reporting

The Statewide Accounting Policies and Reporting section develops and maintains state administrative and accounting policies for payroll, travel, federal grants, accounting, and reporting. Policies incorporate federal and state regulations, as well as national accounting standards. The staff consults with and provides training to state agency personnel on the policies. The Statewide Accounting unit also monitors financial data for compliance with the policies and prepares a number of reports for the public. Reports include the state's Comprehensive Annual Financial Report, the Audit Resolution Report, and the federally-mandated Single Audit Report. (Data Processing Revolving Account, Auditing Services Revolving Account)

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,625,000	\$1,309,000	\$316,000	22.5	\$1,591,000	\$1,295,000	\$296,000	22.5

### Expected Results:

Increase agency compliance with applicable laws and regulations. Produce accurate, timely reports in response to requests for information and legal requirements.

## Statewide Economic and Revenue Forecasts, Fiscal Planning, and Research

# Agency Activity Inventory

## by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

The Forecasting Division supports statewide fiscal planning and budget and revenue monitoring functions of OFM directly related to the development of the Governor's budget and the management of biennial budgets. The Forecasting Division provides analysis of the impact of major events, social and economic trends, and public policies on the state economy and revenues. It supports OFM's role on the Economic and Revenue Forecast Council and the Expenditure Limit Committee. It statutorily provides official fiscal impact statements for statewide ballot measures. The division provides statewide revenue, expenditure, and expenditure limit information (Six-Year Outlook) to support the preparation of the Governor's budget and the evaluation of biennial budgets in terms of risks and sustainability. The division also provides analysis and recommendations to the Governor for the development of revenue and tax policy.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$718,000	\$718,000	\$0	7.2	\$616,000	\$616,000	\$0	7.2

**Expected Results:**

Early identification of fiscal challenges, risks, and opportunities facing the state. Increase in the amount of time available to the Governor and Legislature to address fiscal challenges, resulting in more timely and effective responses. More effective use of scarce resources.

## Statewide Policy Development for Governor's Office

The Executive Policy Office performs policy research and analysis for the Governor, and works with agencies and OFM budget staff in the development of proposed legislation and the Governor's budget proposal.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Decision support for government decision makers

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$5,690,000	\$4,512,000	\$1,178,000	32.9	\$4,312,000	\$3,934,000	\$378,000	32.4

**Expected Results:**

All agency-proposed and enrolled bills are consistent with the Governor's legislative agenda.

## Washington Commission for National and Community Services

The Washington Commission for National and Community Services was created by the Governor in 1994 as part of the National and Community Service Trust Act of 1993 to implement AmeriCorps and support other national service initiatives throughout the state. Currently, the commission receives approximately \$14 million annually in competitive federal funds, supporting 15 programs that address major state and gubernatorial priorities. One of the largest programs, the Washington Reading Corps, places 250 members in needy elementary schools to raise reading levels of struggling readers. The commission will also have major priorities and programs as part of the national Citizen Corps that will support volunteers in homeland security activities. Commission staff support a 25-member gubernatorial appointed commission that sets policy, identifies goals, and establishes priority needs that national service should address. In addition, the commission utilizes service as a strategy to help address gubernatorial priorities, ensures compliance with federal grant policies, and assesses the impact of national service investments in the state.

# Agency Activity Inventory by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:** 105 - Office of Financial Management

**Statewide Result Area:** Improve the economic vitality of businesses and individuals

**Category:** Planning and leadership for economic change

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$10,185,000	\$439,000	\$9,746,000	10.6	\$10,779,000	\$435,000	\$10,344,000	10.6

**Expected Results:**

To expand the ethic of service throughout Washington State by inviting citizens of all ages and backgrounds to contribute their time and talents to strengthen and promote service and volunteerism as strategies for building healthy communities.

## WorkFirst Program

OFM provides the staff support necessary to oversee the Governor's planning and implementation of Washington State's welfare reform initiative called WorkFirst. This program helps financially struggling families find jobs, keep their jobs, get better jobs, and build a better life for their children.

**Statewide Result Area:** Improve the security of Washington's vulnerable children and adults

**Category:** Provide support services to families

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$53,000	\$53,000	\$0	0.0	\$56,000	\$56,000	\$0	0.0

**Expected Results:**

Increases in financially struggling families gaining and maintaining jobs.

## Compensation Cost Adjustment

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** Human resources support for government agencies

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$672,000	\$418,000	\$254,000	0.0	\$672,000	\$418,000	\$254,000	0.0

## Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount. These savings will be assigned to the appropriate activities after the budget is enacted.



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## by Agency

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**Agency:** 105 - Office of Financial Management

Statewide Result Area: Improve the ability of State Government to achieve its results efficiently and effectively

Category: Human resources support for government agencies

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$(82,000)	\$(25,000)	\$(57,000)	(1.4)	\$(171,000)	\$(51,000)	\$(120,000)	(3.1)